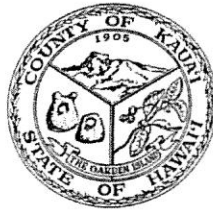


**Bernard P. Carvalho, Jr.**  
Mayor



**George K. Costa**  
Director

**Nadine Nakamura**  
Managing Director

**OFFICE OF ECONOMIC DEVELOPMENT**

**County of Kaua'i, State of Hawai'i**

4444 Rice Street, Suite 200, Līhu'e, Hawai'i 96766  
TEL (808) 241-4946 FAX (808) 241-6399

**Before the House Committee on Finance**  
**Wednesday, February 25, 2015**  
**Conference Room 308**  
**2:00 p.m.**

**IN SUPPORT OF HB 1010, RELATING TO THE COMMUTER BENEFITS PROGRAM**

Chair Luke, Vice Chair Nishimoto, Representative Tokioka, and Members of the Committee,

Commuter benefits programs have the potential to help increase the use of transit and other modes of travel as an alternative to single occupancy vehicles used by employees in their daily commute to work. HB 1010 provides a valuable tool to the County as we work with our community towards encouraging alternative modes of transportation for our Island.

County of Kauai is committed to working in partnership with the State to achieve the goals of the Hawaii Clean Energy Initiative, and this is a very worthwhile addition to the body of policy measures that can assist us in that end.

The County of Kaua'i supports this bill.

Thank you for the opportunity to provide this testimony.

Sincerely,

Ben Sullivan  
Energy Coordinator  
Office of Economic Development  
County of Kauai



February 24, 2015

Representative Sylvia Luke, Chair  
Representative Scott Y. Nishimoto, Vice Chair  
House Committee on Finance

**Comments, Concerns and Opposition to current form of HB 1010 Relating to the Commuter Benefits Program (Authorizes the counties to adopt an ordinance REQUIRING employers to offer employees specified commuter benefits options).**

**FIN Hearing: Wednesday, February 25, 2015, 2:00 p.m., in Conference Room 308**

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. LURF's mission is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources, and public health and safety.

LURF fully supports the intent of HB 1010 to encourage commuter benefits programs; and LURF would support the adoption of county ordinances that allow employers to voluntarily offer commuter benefits options, which are supported by State and county tax benefits, subsidies and other incentives. However, LURF is **OPPOSED** to the current version of HB 1010 and respectfully requests that the Finance Committee **HOLD** this measure, based on the following:

- (1) **HB 1010 is unnecessary.** This bill is unnecessary, because the counties already have the ability to adopt ordinances which allow employers to offer employees commuter benefits options;
- (2) **Mandate on all private and public employers will have unintended impacts.** The stated "purpose" of this measure is to authorize the counties to adopt an ordinance REQUIRING employers to offer employees specified commuter benefits options is objectionable because it will have unintended an unquantified impacts on businesses and employers;
- (3) **Violation of Home Rule.** While HB 1010 provides that counties "may" adopt an ordinance establishing a commuter benefits program, it also violates the doctrine of "Home Rule," because it MANDATES and DIRECTS that the county ordinance MUST consist of one or more of the commuter benefits options stated in the bill.
- (4) **Major impact of State and County budgets.** The major impact and uncertainty will be on the State and counties, two of the largest employers subject to such MANDATES. This measure will result in substantial increases the State and county budgets to pay for the costs of benefits for each employee; and additional further costs to the counties to establish, monitor and enforce such a program.

As stated above, LURF fully supports the intent of HB 1010 to encourage commuter benefits programs; and LURF would support the adoption of county ordinances that authorize voluntarily offer commuter benefits programs and options, which are supported by State and county tax benefits, subsidies and other incentives. LURF is willing to work with the proponents of this measure and other stakeholders to draft amendments that allow the establishment of voluntary commuter benefits programs, which could include state, county and private incentives.

However, based on the reasons stated above, LURF is **OPPOSED** to the current version of HB 1010 and respectfully requests that the Finance Committee **HOLD** this measure.

Thank you for the opportunity to present LURF's opposition to the current form of this measure.



COLLEGE OF SOCIAL SCIENCES  
**HAWAII ENERGY POLICY FORUM**  
UNIVERSITY OF HAWAI'I AT MĀNOA

**Hawaii Energy Policy Forum**

Jeanne Schultz Afuvai, HI Inst. for Public Affairs  
Joseph Boivin, Hawai'i Gas  
Warren Bollmeier, HI Renewable Energy Alliance  
Albert Chee, Chevron  
Elizabeth Cole, The Kohala Center  
Leslie Cole-Brooks, HI Solar Energy Assn  
Kyle Datta, Ulupono Initiative  
Mitch Ewan, UH HI Natural Energy Institute  
Jay Fidell, ThinkTech HI, Inc.  
Carl Freedman, Haiku Design & Analysis  
Sen. Mike Gabbard, HI State Senate  
Dan Giovanni, Hawaiian Electric Company  
Mark Glick, State Energy Office, DBEDT  
Justin Gruenstein, City & Co. of Honolulu  
Dale Hahn, Ofc of US Sen Brian Schatz  
Michael Hammett, Research Corp. of the UH  
Randy Iwase, Public Utilities Commission  
Rachel James, Ofc of US Rep. Tulsi Gabbard  
Jim Kelly, Kaua'i Island Utility Cooperative  
Darren Kimura, Energy Industries  
Kelly King, Sustainable Biodiesel Alliance  
Rep Chris Lee, HI House of Representatives  
Gladys Marrone, Building Industry Assn of HI  
Doug McLeod, Maui County  
Stephen Meder, UH Facilities and Planning  
Lauren Montez-Hernandez, Ofc of Sen Mazie Hirono  
Sharon Moriwaki, UH So. Sci. Public Policy Ctr  
Ron Nelson, U.S. Defense Energy Support Center  
Tim O'Connell, U.S. Dept of Agriculture  
Jeffrey Ono, Division of Consumer Advocacy, DCCA  
Darren Pai, Hawaiian Electric Company  
Melissa Pavlicek, Hawaii Public Policy Advocates  
Randy Perreira, HI Government Employees Assn  
Rick Rocheleau, UH HI Natural Energy Institute  
Will Rolston, Hawai'i County  
Riley Saito, SunPower Systems Corp  
Joelle Simonpietri, U.S. Pacific Com. Energy Ofc  
H. Ray Starling, Hawaii Energy  
Ben Sullivan, Kaua'i County  
Lance Tanaka, Hawaii Independent Energy  
Maria Tome, Public Utilities Commission  
Ah Linn Yamane, HI Government Employees Assn

Testimony of Sharon Moriwaki  
Co-Chair, Hawaii Energy Policy Forum

Before the  
House Committee on Finance

Wednesday, February 25, 2015, 2:00 p.m., Conference Room 308

**IN SUPPORT OF HB1010 - Relating to The Commuter Benefits Program**

Chair Luke, Vice Chair Nishimoto, and Members of the Committee,

I am Sharon Moriwaki, Co-Chair of the Hawaii Energy Policy Forum (Forum). The Forum, created in 2002, is comprised of over 40 representatives from Hawaii's electric utilities, oil and natural gas suppliers, environmental and community groups, renewable energy industry, and federal, state and local government, including representatives from the neighbor islands. Our vision and mission, and comprehensive "10 Point Action Plan" serves as a guide to move Hawaii toward its preferred energy goals and our support for this bill.

HB1010 authorizes the counties to adopt a commuter benefits program which may offer one or more of three benefit options: an employee pre-tax program, an employer-paid benefit program, and an employer-provided transit program.

Commuter benefits are employer-provided benefits that allow employees to reduce transportation costs for transit, vanpooling, and biking. Section 132(f) of the IRS Code allows employees to use pre-tax dollars subject to monthly limits to pay for their commuting expenses. This IRS code has been around since 1992. Offering commuter benefits saves employers money as a result of reducing payroll taxes.

Other jurisdictions throughout the United States have seen tremendous benefits after adopting commuter benefits programs. In San Francisco, from 2012-2013, vehicle miles traveled (VMT) was reduced by approximately 2,900,000 miles per day, reducing annual CO2 emissions by 286,000 metric tons. On average, this saved 123,500 gallons of gas per day (Source: San Francisco Department of Environment, 2014).

In Oregon, the Employee Commute Options (ECO) Program reduced annual VMT by 60,000,000 in 2013 (Source: Oregon Dept. of Environmental Quality, 2014).

From 1993 to 2005, Washington State's Commute Trip Reduction (CTR) law has contributed to a 23 percent decrease in employees that drive alone to work, alleviating traffic congestion and reducing commute times (Source: WA Commute Trip Reduction Board, 2011).

The Forum supports HB1010 because it would promote the reduction of traffic congestion, greenhouse gas emissions, air pollution, and the State's reliance on imported fossil fuel. Commuter benefits will help the State meet the Hawaii clean energy transportation targets and achieve the greenhouse gas reduction target established by Act 234, Session Laws of Hawaii 2007. The Forum therefore respectfully urges passage of the bill. Thank you for the opportunity to testify.

*This testimony reflects the position of the Forum as a whole and not necessarily of the individual Forum members or their companies*



Email: [communications@ulupono.com](mailto:communications@ulupono.com)

HOUSE COMMITTEE ON FINANCE  
Tuesday, February 10, 2015 — 3:15 PM — Room 229

**UluPono Initiative Strongly Supports HB 1010, Relating to the Commuter Benefits Program**

Dear Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

My name is Murray Clay and I am Managing Partner of the UluPono Initiative, a Hawai'i-based impact investment company that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally grown food, increase clean, renewable energy, and waste reduction.

**UluPono strongly supports HB 1010**, which authorizes the counties to require employers to offer employees pre-tax commuter benefits. Promoting and incentivizing alternative forms of transportation such as transit, vanpooling, and bicycling will help us to reduce our imported fossil fuel usage.

Through the Hawai'i Clean Energy Initiative, the State has made great progress in reducing imported fossil fuel use as the source for Hawai'i's electricity generation. However, the transportation sector uses more energy than the electricity sector in Hawai'i. Ground transportation, such as cars and trucks, relies almost exclusively on imported fossil fuels for its energy.

Therefore, UluPono is investing in companies that promote alternative forms of transportation. These include WaySine, which provides bus riders with real-time information about their wait time at bus stops, and Bikeshare Hawai'i, which will offer a network of rentable bicycles across Honolulu. This bill will further promote transportation methods that are less reliant on imported fossil fuels.

As Hawai'i's energy issues become more complex and challenging, we appreciate this committee's efforts to look at policies that support renewable energy production.

Thank you for this opportunity to testify.

Respectfully,

Murray Clay  
Managing Partner

*Investing in a Sustainable Hawai'i*

**Testimony of  
Gary M. Slovin / Mihoko E. Ito  
on behalf of  
Enterprise Holdings, LLC**

DATE: February 24, 2015

TO: Representative Sylvia Luke  
Chair, Committee on Finance  
*Via Email [FINtestimony@capitol.hawaii.gov](mailto:FINtestimony@capitol.hawaii.gov)*

RE: **H.B. 1010 - Relating to the Commuter Benefits Program**  
**Hearing Date: Wednesday, February 25, 2015 at 2:00 pm**  
**Conference Room 308**

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Dear Chair Luke and Members of the Committee on Finance:

We submit this testimony on behalf of Enterprise Holdings, which includes Enterprise Rent-A-Car, Alamo Rent-A-Car, National Car Rental, Enterprise CarShare and Enterprise RideShare.

Enterprise **supports the intent** of H.B. 1010, which allows the counties to adopt ordinances establishing commuter benefits programs. Commuter benefits programs promote an enhanced quality of life and help to reduce dependence on fossil fuels. These programs permit employees to use pre-tax dollars to pay for alternative commute options like vanpool programs, bicycling or transit which in turn help the state to reduce the number of vehicles on the road, alleviate traffic conditions, and improve air quality. Enterprise supports the state's focused efforts to reduce fossil fuel consumption in the transportation sector in particular, and looks forward to ways to partner with the state to provide alternative commuting options. For these reasons, we ask this Committee to pass H.B. 1010.

Thank you for the opportunity to submit testimony on this measure.

---

Gary M. Slovin  
Mihoko E. Ito  
C. Mike Kido  
Tiffany N. Yajima

999 Bishop Street, Floor 1400  
Honolulu, HI 96813  
(808) 539-0840



## FIN-Jo

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 24, 2015 8:03 AM  
**To:** FINTestimony  
**Cc:** cpicardo@hawaii.edu  
**Subject:** Submitted testimony for HB1010 on Feb 25, 2015 14:00PM

### **HB1010**

Submitted on: 2/24/2015

Testimony for FIN on Feb 25, 2015 14:00PM in Conference Room 308

| Submitted By     | Organization | Testifier Position | Present at Hearing |
|------------------|--------------|--------------------|--------------------|
| Caterine Picardo | Individual   | Support            | No                 |

Comments: Dear Finance Committee, I support HB1010. Commuter Benefits programs have the potential to produce many positive impacts to employers, employees, the community, environment and transportation system. There are many successful existing programs across the United States. This bill will allow the counties to establish their own programs if they decided to do it, giving flexibility to tailor them for their needs. I also support HB1010 because it aligns with efforts for a more sustainable Hawaii. Sincerely, Caterine Picardo

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Dear House Finance Committee,

I hope you will support HB 1010 regarding commuter benefits programs. This bill is simply allowing the counties to create such programs, if they choose to. It does not ask for any financial support from the State and does not have to do with state tax, but instead hopes to encourage more businesses and employees to take advantage of the federal commuter tax benefits that already exist. To date, this federal commuter benefit tax incentive is underutilized in Hawaii.

If the counties choose to create commuter benefit programs they will help promote alternative modes of transportation and therefore, help the reduction of traffic congestion, greenhouse gas emissions, air pollution, and the State's reliance on imported fossil fuel.

As stated in HB 1010, the purpose of this is to authorize the counties to adopt an ordinance requiring employers to offer employees specified commuter benefits options. I hope you will support HB 1010. It is a win-win-win by helping employers and employees save money and by helping save our environment. Please support HB 1010. Thank you for your time.

Sincerely,

A handwritten signature in black ink that reads "Asia Yeary". The signature is written in a cursive, flowing style.

Asia Yeary



Katherine T. Kupukaa  
Mililani Town, HI 96789

**LATE**

COMMITTEE ON FINANCE  
Rep. Sylvia Luke, Chair  
Rep. Scott Y. Nishimoto, Vice Chair

DATE: Wednesday, February 25, 2015  
TIME: 2:00 PM  
PLACE: Conference Rm. 308  
State Capitol  
415 South Beretania Street

Re: Oppose HB 1010 RELATING TO THE COMMUTER BENEFITS PROGRAM

I oppose HB1010 relating to the commuter benefits program. This is totally unnecessary to help the State to meet the Hawaii clean energy initiative standards and achieve the greenhouse gas reduction target established by Act 234, Session Laws of Hawaii 2007. I hope this does not include the government to offer these commuter benefits. If private companies choose to do so, let it be their decision. These are the kinds of bills that are introduced cause me great concern.

Much time, money, and waste of paper is being expended on this bill. If the PM zipper lane would be completed, less time on the H-1 freeway would be possible for the commuters. The previous administration did the absolute wrong decision on not completing the work on the PM zipper lane.

Do not pass this bill. Thank you for allowing me to voice my concern.



**HOUSE COMMITTEE ON FINANCE**  
February 25, 2015, 2:00P.M., Room 308  
(Testimony is 1 page long)

**LATE**

**TESTIMONY IN SUPPORT OF HB 1010**

Aloha Chair Luke, Vice-Chair Nishimoto, and members of the Committee:

Blue Planet Foundation supports HB 1010, which would enable the counties to create policies that enable, encourage or require certain companies to make existing Internal Revenue Service (IRS) commuter benefits tax programs available to their employees.

There are a number commuter benefit programs set up by the IRS which provide tax benefits for employees who use public transit, carpool, vanpool, bicycling and other alternative modes of transportation in their commute, rather than driving single occupant vehicles. However, in order for individuals to take advantage of these benefit programs, their employers must choose to make those benefits available. Making these programs available to their employees usually does not cost companies any money other than the time and effort required to set them up administratively, and very often these programs can actually save companies money by reducing payroll taxes.

A number of the counties, including the City and County of Honolulu, are considering creating such policies to both encourage alternative modes of transportation and to help reduce both payroll and personal income taxes to benefit Hawaii households; however, the counties must receive authorization from the State before they are able to do so.

Giving this authorization to the counties to set up commuter benefits policies will require no State funding and will have no little or no impact on the budgets of the counties.

Thank you for this opportunity to testify.

From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, February 24, 2015 9:27 PM  
To: FINTestimony  
Cc: amybrinker@mac.com  
Subject: \*Submitted testimony for HB1010 on Feb 25, 2015 14:00PM\*

**HB1010**

Submitted on: 2/24/2015

Testimony for FIN on Feb 25, 2015 14:00PM in Conference Room 308

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Amy Brinker  | Individual   | Support            | No                 |

**Comments:**

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From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, February 24, 2015 3:50 PM  
To: FINTestimony  
Cc: aaron@s4xton.com  
Subject: \*Submitted testimony for HB1010 on Feb 25, 2015 14:00PM\*

**LATE**

**HB1010**

Submitted on: 2/24/2015

Testimony for FIN on Feb 25, 2015 14:00PM in Conference Room 308

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Aaron Landry | Individual   | Support            | No                 |

Comments:

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